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SENIOR RESEARCH STAFF ON INTERNATIONAL COMMUNISM

1 April 1958

MEMORANDUM FOR: Director of Central Intelligence

THROUGH: Deputy Director/Intelligence

SUBJECT: Two Proposals for Action in the Italian Election Campaign

1. The purpose of this memorandum is to urge the immediate taking of two operational steps in connection with the pending Italian elections (May 25th):

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[redacted]

2. These measures are recommended on the basis of our appreciation of the prospects for the Italian election which is somewhat more pessimistic than what appears to be generally held within the Department of State and the Agency. The most authoritative government estimate at present available to us is contained in O/NE Staff Memorandum published recently which foreshadows a post-electoral situation generally similar to that which now obtains. From this forecast, the O/NE memorandum draws a picture of the political prospects for Italy during the next five years from which the US government can derive but little satisfaction. In our opinion, even this note of concern does not go far enough.

3. It would seem prudent to envisage the possibility that the Communist Party may substantially improve its present strength. The PCI has a number of cogent issues which it has begun to exploit with an ominous crescendo; chief of these is the missile bases, which in the light of the Soviet renunciation of nuclear testing could achieve Sputnik momentum in Italian politics. The United States economic recession,

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if it is not clearly reversed in the next month, might also be a weighty point. Finally, the classic issues of clericalism, fascism, and monopolies have not lost their virtue. That the relative prosperity of Italy during the past few years has not blunted the edge of resentment and protest among Italian workingmen appears to have been demonstrated by recent shop steward elections, in which the CGIL has strikingly reversed its downward trend.

4. It would also seem wise to be prepared for a relative setback for the Christian Democratic Party. Although the DC has greatly strengthened its organization and has utilized its governmental position to apply the instrumentalities of patronage and propaganda, it has at the same time encountered increasing hostility from all other parties. Whether this will be reflected in the vote is difficult to predict, but it seems probable that there will be a considerable tendency in the electorate to spill off to the left and to the right as the unwieldy mechanism seeks to continue its broad swath.

5. The prospects for the two Socialist parties can only be guessed. Saragat's recent efforts to dissociate himself from the strict Atlanticism of his earlier policies and to embrace an element of neutralism have shown how difficult it is for any party which calls itself socialist to maintain a position greatly different from that of the British Labour Party or the SPD in Germany. Whether this drift away from full support of NATO will gain or lose votes for his party is problematical. If anything, it is likely to strengthen the Nenni Socialist position which on this issue, at least, has been fairly consistent.

6. Thus it would appear that even by the more optimistic predictions, there is little prospect for a situation radically better than that which now prevails. The status quo has, indeed, been regarded by some as in itself satisfactory. We do not believe that such a view would prove justified over the coming five years. There will be mighty pulls on Italy, on the one hand from the rapidly forming institutions of the Western European Community, on the other hand from the growing power complex of the Communist Bloc, not to mention the rapidly changing Arab world toward which Italy feels increasingly drawn.

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7. In such a situation it is essential that dynamic and effective democratic government be possible in Italy. This can hardly be the case if a powerful Communist Party is able to maintain its hold over the PSI. It is more than ever necessary to break this hold, splitting the PSI in such a way as to insure the maximum accession of strength to the forces of Democratic Socialism. Only in this fashion can a healthy basis for a government-loyal opposition or a "grand coalition" regime be established. Without such a development, and in the face of crises and setbacks which the Free World seems destined to undergo, the prospect for Communist obstruction in Italy becomes truly alarming.

8. It is for this reason that we urge prompt action to bring about a merger of the democratic elements of Italian Socialism. We feel it certain that some such process will be resumed after the elections, and that we will have to go along with it. It would appear wiser to anticipate this development and establish now our basis for subsequent negotiation with Pietro Nenni. 25X6B

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[redacted]

9. It is suggested that Olivetti's Communità movement be supported at this time, not because it is likely to play an important role in the next parliament, but because it represents an intellectual, moral and ideological nucleus which would be of great value in the coalescence of the disparate elements of Italian Socialism. Furthermore, in our judgment, Communità and Olivetti represent a constructive force transcending the boundaries of Italian politics and offering a promise for the entire West European integration program. By concentrating on the creative development of the local community, Olivetti has pointed the way to a process of softening the tensions of politics which might prove in time the most effective answer to the divisive machinations of the Communists. In a sense, support of the Communità movement might be said to be truly in the spirit of the original concept of the Marshall Plan: to help the peoples of Europe to help themselves. We would not only be furthering a worthy political and social cause, but would, at least implicitly, be encouraging a reform effort of enlightened private enterprise, seeking harmony with Democratic and Christian Socialism - an effort all too rare in contemporary Europe.

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10. We believe that there is still time before the elections to carry out these two moves, and that, in doing so, we would be fulfilling a basic mission of the Agency to nurture a healthy, and democratic, political opposition.

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[redacted]

Chief, SRS/DDI

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1	25X1D1a [redacted]		
2	Chief, SRS/DDI 2210 E Street		
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	ACTION		DIRECT REPLY		PREPARE REPLY
	APPROVAL		DISPATCH		RECOMMENDATION
	COMMENT		FILE		RETURN
	CONCURRENCE		INFORMATION		SIGNATURE

Remarks:

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[redacted] The Director read the attached with a great deal of interest and commented, however, that he was inclined to agree with the WE Division that [redacted]

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FROM: NAME, ADDRESS AND PHONE NO.	DATE
[redacted] 22 Apr 58	

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Buckslip to [redacted]

Attached is a summary of [redacted] article and a suggested draft for a reply from DCI. Unless itseems inadvisable to reply to a communication of this sort, we would recommend that some acknowledgment be sent. Possibly the Director would be interested in seeing the summary.

DBD

26 Feb 58

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